A

File No. 229(D)

19 31.

Collection No.

Mas 30/6

Mysore Residency

Bangalore.

(12)

Pros. Serial Nos. 1- 9

Subject.

Reciprocal arrangements for relief from double incometax between the Civil and Military Station of Bangalore and Mysore State.

Previous References.	Later References.
	F.No.930 of 1934.

S. 97.—(Blue).

MFP—168S&P—(M-184)—11.8.34—60,000.

NOTES AND PRECIS.

FILE No. 229D1931.

Section. File No.

Heading. Serial No

NOTES.

DEPT. BRANCH.

Pros. 19 . Nos.

Subject.

Reciprocal arrangements for relief from double incometax between the Civil and Military Station of Bangalore and Mysore State.

Notes and Orders.

S. 1.;

SGPI—FP—379DCFMis.—4-12-24—2,00,000.

S.N.15. From the Central Board of Revenue, No. 338/I.T./30 dated 30-4-31

Draft submitted.

C.V. Ramanathan
11.5.31

A.S.

13.5.31

S.N. 16 Issued No. 3533, dated 15-5-31

S.N. 17 From the Asstt. Commr. of Income-tax, C & M Stn., Bangalore, No.G/12, d/21-5-31.

Draft to the Secretary to the Central Board of Revenue is submitted.

CVR
26.5.31

A.S.

26.5.31

S.N.18 Issued No. 3821, dated 27th May, 1931.

S.N.19 From the Secretary, Central Board of Rev., No. 338-I.T., dated 18-5-31

Draft submitted.

A.S. CVR 4.6.31

6-6-31

S.N. 20 Issued No. 4164, 9/11.6.31

sl.22. D.O. letter C.No.544-I.T/31, dated the 16th Novr from Central Board of Revenue, New Delhi.

The British Indian Income-tax Act has been applied to the C. & M. Station; and hence the reference to us.

Draft submitted.

K.Y.Nayar
21.11.31.

23/11

23.XI.31

sl.23. Issued No.8499, dated the 25th November, 1931.

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sl.24 Letter No. I.T.G/20, dated the 28th November, 1931, from the Collr. & Asst. Commissioner of Income-tax, Civil and Military Station, Bangalore.

× (A) & (B)

Please see sls. 22 and 23.

Draft submitted.

K.Y.Nayar
3.12.31.

3/12/ Unnecessary

4.12.31

Yes. "Kt." has now been added at the end of the name in the draft. The omission is regretted.

K.Y.Nayar
7.12.31.

P.U.C.
S.1.

Endt. No.39/C.No.775-I.T./31, dated the 19th December, 1931, from the Secy., Central Board of Revenue, New Delhi.

Draft submitted.

P.Narainsamy. 10.2.32

Issue and Submit to Secy. for information.

(R)

S.2

Issued No.1271, dated the 18th February, 1932 and submitted.

P.Narainsami 20.2.32

Secretary. (on reforms)

P.uc I

Endt. C.No.281-I.T/31, dated the 27th February, 1932, from the Secy., Central Board of Revenue.

P.u.c. II

Endt. D.Dis.No.212-I.T/32, dated the 1st March, 1932, from -do-.

P.U.C III

Endt. C.No.623-I.T/31, dated the 8th March, 1932, from -do-.

Draft endorsement is submitted.

A.Narainami
17.3.32.

17/3

sl. 6.

Issued No.2141, dated the 22nd March, 1932.

Part I
S.7.

Ann. II
S.8.

Corrigendum C.No.212-I.T/32, dated the 11th March,1932, from the Secretary, Central Board of Revenue.

Endt. No.10/C No.779-I.T./31, dated the 12th March,1932 from the Secretary, Central Board of Revenue.

Draft submitted.

P.N Narainsami
4. 4. 32.

D.O.C.No.338-I.T/30, dated the 9th May, 1932, from Rai Bahadur Pandit Ram Nath, M.A., Secretary, Central Board of Revenue.

The above letter is wrongly addressed to this Residency. It is presumably intended for the Hyderabad Residency.

The letter may be transferred to the Secretary to the Hon'ble the Resident at Hyderabad with the following endorsement.

"Forwarded with compliments to the Secretary to the Hon'ble the Resident at Hyderabad for whom it is presumably intended."

V. D. Vedachalam
28.5.32.

Yes.

Type endorsement on a separate sheet of paper

28/5

Memo No. 3679.
31st May 1932

D.O. C. No. 338-I.T/30. CENTRAL BOARD OF REVENUE.

Simla, the 27th June 1932.

(2)

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
2 JULY 1932
Regd. No. 5962-31
File. No. 2294/32

6-7-32

Dear Mr. Kirkbride,

Double Income-tax Relief—British India and Indian States.
Mr. Lloyd's D.O. C.No.338-I.T/30 dated 9.6.31.

*Encl-I

I am desired to invite your attention to the D.O.* quoted above (copy enclosed) and to request the favour of a very early reply. It appears that the D.O. and the subsequent reminders were addressed wrongly to Captain W.F. Webb who, it is understood, passed them on to you for disposal.

Yours sincerely,

27. 6. 32.

Captain G. Kirkbride, (or successor)
Secretary to the Hon'ble Resident and
Commissioner of Income-tax, Mysore,
Bangalore.

SBS.

Encl. I

Copy of a D.O. C.No.338-I.T/30 dated the 9th June 1931 from Mr. A.H. Lloyd, C.I.E., I.C.S., Member, Centra Board of Revenue, to Captain W.F. Webb, Secretary to the Resident, Mysore.

S.N.1 (A) 38/18

Double Income-tax Relief - British India and Indian States - Board's circular C.No.13/104-I.T/26, dated the 16th March 1926.

The above discussion has taken a new turn and we are issuing a memorandum cancelling the above circular.

2. I enclose for your information extracts from our notes of a recent meeting with representatives of the Chamber of Princes at which this subject was discussed. The States selected for the examination which the Board has now undertaken, as explained in these extracts, are Travancore, Nandgaon and Bahawalpur. You are concerned with the first of these. Will you please have the accounts of the assessees concerned in 1929-30 looked at again for the purpose of submitting the report asked for in paragraph 6 of the extracts enclosed? The meaning of the reference to the "facts of the case" is that it is necessary to compute to what extent the benefit of the concession is enjoyed by the nationals of British India (including companies with headquarters in British India) and to what extent by nationals of the State concerned; (compare the remarks in paragraph 2 of the extracts).

Encl II

Enclosure II

Extracts from Notes of a meeting with the representative of the Chamber of Princes regarding double income-tax relief arrangement between British India and the Indian States, held on the 1st June 1931.

---

* * * * *

2. It was made clear that there can be no absolute principle in this matter applicable to all circumstances. For example, the action of the United Kingdom in accepting the position of country of primary relief was probably due to a great extent to the fact that its own nationals benefit a great deal more from relief from double income-tax than the nationals of the countries with which it has arrangements for such relief, since the United Kingdom is largely an investing country. In many other cases where arrangements for such relief were made this consideration would not apply.

3. The existing arrangement between British India and all the States except Mysore is that in each case the two Governments, having agreed that relief in respect of the total amount of the lower tax should be given, share the burden of this relief equally. The representatives of the States did not now suggest that India should adopt the position of "country of primary relief"; they asked the Government of India to consider two alternatives:-

(i) the general adoption of the system in force between Mysore and British India, and

(ii) a suggestion which would be practically as simple in application as the existing arrangement; the two Govts concerned in each case should make remissions aggregating to the lower tax, sharing the cost between them in the proportion which the tax collected by one Government on the income doubly taxed bore to the tax collected by the other.

It was agreed that, as a matter of detail, it would be simpler to work this with reference to the amount of tax collected rather than to the rate, the calculation of which is ~~difficult~~ difficult when super-tax comes in.

4. The Mysore system may be said to depend upon origin in connection with business income and on residence in connection with salaries; that is to say, the country in which income accrues keeps the whole of its tax in the one case, and the country in which the salary-earne is resident keeps the whole of the tax in the other case.

* * * * *

5. * * * * *

6. In conclusion, the representatives of the Central Board of Revenue, while making it clear that they were not in a position to admit that the existing system was unfair with reference to the actual circumstances, undertook to investigate the position with regard to a few of the States where the amount involved was appreciable in order to satisfy themselves (a) what would be the effect of adopting each of the two alternatives put forward by the representatives of the States, and (b) whether the facts of the case could be said to justify a change from the existing basis to either of those alternatives.

7. It was agreed that as the amounts involved are at present small the case was not very urgent, so that there would be ample time for this investigation to be conducted.

S.N.26 Para 2 note P.U.C.

Demi-official letter C.No.338-I.T./30 dated the 27th June, 1932, from the Secretary, Central Board of Revenue.

The question of double income-tax relief arrangement between British India and Indian States was discussed by the Board with the representatives of the Chamber of Princes in June, 1931. The representatives of the States suggested that the existing basis of granting relief should be revised and asked the Board to consider the adoption of either of the two alternative proposals referred to in para 3 of ~~the~~ Enclosure II to P.U.C. ~~extracts from the Notes of the meeting enclosed to the para~~. It will be noticed from ~~these extracts~~ this enclosure that Mysore is not concerned in the present enquiry. The arrangement between British India and Mysore in regard to relief from double income-tax is different from that existing between British India and ~~and~~ other Indian States and it is not proposed to revise the system in force between British India and Mysore. On the other hand, one of the alternative proposals suggested by the States is the general adoption of the Mysore system.

At the meeting, the Board undertook to investigate the position with regard to a few of the States in order to satisfy themselves what would be the effect of adopting each of the two alternatives put forward by the representatives of the States and whether the facts of the case could be said to justify a change from the existing basis to either of those alternatives. The States selected for the examination which the Board has undertaken, are Travancore, Nandgaon and Bahawalpur.

The question of relief from double income-tax between British India and Indian States has been under consideration for some years, and, in 1926 and again in 1930, the Board had called for certain statistics in that connection from Commissioners of Income-tax. It will be seen from the figures

S.Ns.3/a & 7/a 38-1918

then furnished by us that relief is granted by this Administration to two States, namely, Mysore and Travancore. As Travancore is one of the States selected by the Board for the purpose of the present enquiry, we are now asked to have the accounts of the assessees concerned in 1929-30 looked at again for the purpose of submitting the report referred to in para 6 of the extracts enclosed. What is actually wanted is a report on the effect of adopting either of the two alternative proposals suggested by the Princes so that the Board will be in a position to decide whether the existing system requires to be revised with reference to the actual circumstances, and, if so, which of the two alternatives should be adopted.

Copies of enclosures to p.u.c. may be forwarded to the Collector and Assistant Commissioner of Income-tax for necessary action and report. Draft submitted.

It is stated in the p.u.c. that the original d.o., (which is dated 9-6-1931) and the subsequent reminders were wrongly addressed to Captain Webb and that the latter passed them on to this office for disposal. With the exception of one reminder, which we received from the Board direct and not through Captain Webb, no letters were received here in this connection. The reminder was addressed to Captain Webb and as we had not received any of the letters referred to therein, it was thought that it was actually intended for Captain Webb and was accordingly forwarded to him for disposal We may explain the position in our reply to the Board.

9-V-32

No 5-315-
Enc. 2

10th Aug. 1932

From

Captain G. Kirkbride, I.A.,
Commr. of Income-tax.

To

G.H. Cooke, Esq., M.C., I.C.S.,
Asst. Commissioner of
Income-tax, C. & M.Station,
B a n g a l o r e.

Double Income-tax relief -
British India and Indian States.

D.O.

My Dear Cooke,

I enclose a copy of a demi-official letter C.No.338-I.T/30, dated the 9th June 1931 from the Central Board of Revenue regarding double income-tax relief arrangement between British India and Indian States. As stated in the letter, we are concerned with Travancore. Will you kindly have the accounts of the assessees concerned in 1929-30 looked at again for the purpose of submitting a report with reference to para 6 of the extracts enclosed ?

2. The Board's letter, which is dated 9th June, 1931, and subsequent reminders were addressed wrongly to Captain Webb and were not therefore received by me. They have now sent a copy of the letter and asked for a very early reply. I shall, therefore, be obliged if you will kindly treat the matter as urgent.

Yours sincerely,

9-8-32

Incometax Office,
C & M Station, Bangalore.
Dated 14th Aug. 1932.

My dear Kirkbride,

Double Incometax relief - British India and Indian States - Your D.O.No.5315 dated 10th August 1932.

The Civil and Military Station, Bangalore had only one Travancore assessee in 1929-30.

The relief from double Incometax which would have been obtained under the two alternative methods referred to in the correspondence is noted below:-

Relief on the adoption of the system in force betweem Mysore & British India.	141-2
Relief if the two Governments concerned in the case should make remissions aggregating to the lower tax, sharing the cost between them in the proportion which the tax collected by one Government bore to the tax collected by the other.	78-15

OFFICE OF THE RESIDENT IN MYSORE,
BANGALORE.
18 AUG. 1932
Regn. No. 7335

We have only one Travancore assessee in the current year also and have no information as to the number of British Indian assessees residing in Travancore State and obtaining relief from double taxation from that State.

Yours sincerely,

To
Captain G. Kirkbride,
Secretary to the Resident
& Commissioner of Incometax,
C & M Station, Bangalore.

Please see paragraphs 2 & 6 to 13.

Draft submitted.

Draft.

No. 5-787 Dated 30/8/32

From

The Secretary to the Resident
&
Commissioner of Income-tax,
C & M Station, Bangalore.

To

Rai Bahadur Pandit Ram Nath, B.A.,
Secretary,
Central Board of Revenue.

Double Income-tax Relief -
British India and Indian States.

D.O.

My dear Rai Bahadur,

Please refer to your demi-official letter C.No.338-I.T/30, dated the 27th June, 1932 on the above subject.

x Para 2 of notes.

The Civil and Military Station, Bangalore had only one Travancore assessee in 1929-30.

The relief from double Income-tax which would have been obtained under the two alternative methods referred to in the correspondence is noted below:-

	Rs.	a.
Relief on the adoption of the system in force between Mysore & British India.	141	2

Relief

Rs. a. p

Relief if the two Governments concerned in the case should make remissions aggregating to the lower tax, sharing the cost between them in the proportion which the tax collected by one Government bore to the tax collected by the other. 78 15 0

We have only one Travancore assessee in the current year also and have no information as to the number of British Indian assessees residing in Travancore State and obtaining relief from double taxation from that State.

I may add that Lloyd's demi-official letter dated the 9th June, 1931 and subsequent reminders said to have been passed on to me by Captain Webb, were not received by me.

x Para 2 of mtb.

Yours sincerely,

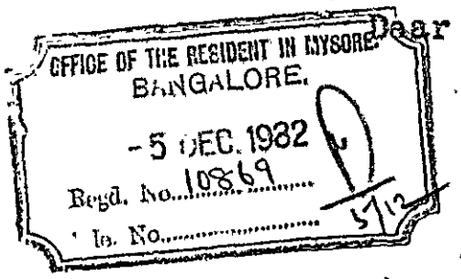
24/8-31

25/8/31

D.O. C. No. 338-I.T/30. CENTRAL BOARD OF REVENUE,

New Delhi, the 30th November 1932.

(16)



para 15 ante.

Dear Mr. Kirkbride,

Double Income-tax Relief—British India and Indian States.
Your D.O. No.5737, dated 30.8.32.

I am desired to request that total amount of tax collected and refund granted in British India and Travancore in the cases referred to in your D.O. quoted above may kindly be furnished to the Board at an early date.

Yours sincerely,

30. 11. 32.

Captain G. Kirkbride, (or successor)
Secretary to Hon'ble the Resident and
Commissioner of Income-tax, Mysore,
Bangalore.

SBS.

Para /6 ante.

(17)

Draft d. o. to the Collector and Assistant Commissioner of Income-tax is submitted.

(from para 16 ante)

14-12-32

17. XII. 32

(18)

Draft.

No. 8613. Dated 20th Dec. 1932

From

The Secretary to the Resident.

To

G. H. Cooke, Esq., M.C., I.C.S.,
Assistant Commissioner of Income-tax,
C & M. Station, Bangalore.

Subject:- Double Income-tax Relief - British India and Indian States - Your D.O. letter dated the 14th August, 1932.

para 12 of note

D.O.

My dear Cooke,

At the instance of the Central Board of Revenue, I am desired to request that total amount of tax collected and refund granted in British India and Travancore in the cases referred to in your D.O. quoted above may kindly be furnished at an early date.

Yours sincerely

Rcd.& tpd.
19.12.32.

14-12-32

C. & M. Station,

Bangalore, 21st December 1932.

Double Income-tax relief - British India and Indian States - Travancore - Your D.O.No.8613 dated 20th December 1932.

Para 18 audit -

My dear Kirkbride,

The amount of tax collected in 1929-30 in C. & M. Station, Bangalore was Rs165-13-0 and that in Travancore Rs142-1-0. The amount of refund granted in the C. & M. Station was Rs71-1-0 and the same amount of refund was granted in Travancore.

In 1932-33, Rs122-10-0 was collected in Bangalore and Rs86-9-0 in Travancore State, the refund by each Government being Rs43-5-0

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
23 DEC 1932
Regd. ... 11492 ...
229/31

Yours sincerely,

To

Captain G. Kirkbride,

Secretary to Resident & Commissioner of I.T.,

Bangalore.

(20)

Please see from paragraphs 16 ante.

Draft submitted.

9/1-33

Draft.

No. 362 Dated 16th Jan-1933

From

The Secretary to the Resident
and
Commissioner of Income-tax,
Civil and Military Station,
Bangalore.

To

Rai Bahadur Pandit Ramnath, B.A.,

Secretary,

Central Board of Revenue.

Subject:- Double Income-tax Relief - British India and Indian States. - Your d.o.CNo.338-I.T/30, dated the 30th November, 1932.

→ Para 16 of note.

D.O.

My dear Rai Bahadur,

The amount of tax collected in 1929-30 in C & M. Station, Bangalore, was Rs.165-13-0 and that in Travancore Rs.142-1-0. The amount of refund granted in the Civil and Military Station was Rs.71-1-0 and the same amount of refund was granted in Travancore.

In 1932-33, Rs.122-10-0 was collected in Bangalore and Rs.86-9-0 in

in Travancore State, the refund by each Government being Rs.43-5-0.

Yours.

9.1.33

11.1.33

D.O. C. No. 338-I.T/30. CENTRAL BOARD OF REVENUE.

New Delhi, the 9th January 1933

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
14 JAN. 1933
Regd. No. 359
Filo. No.

Dear Mr. Kirkbride,

Double Income-tax Relief—British India and Indian States.

My D.O. C.No.338-I.T/30, dated 30.11.32.

I am desired to request that the reply to my D.O. quoted above may kindly be expedited.

Yours sincerely,

9. 1. 33.

Captain G. Kirkbride,
Secretary to Hon'ble the Resident and
Commissioner of Income-tax, Mysore,
Bangalore.

A reply has already been sent. - vide this office No.362, dated 16-1-33.

P.U.C. may be filed.

19-1-33

SBS.

D.O. C.No.705-I.T./32. CENTRAL BOARD OF REVENUE.

New Delhi, the 8th February 1933.

My dear Huxham,

DOUBLE INCOME-TAX RELIEF - CEYLON & BRITISH INDIA.

Your D.O. AA 107, dated 26th January 1933.

I am obliged for your above letter of 26th ultimo. In reply to your letter of 12th December last, in this connection, I now agree with you on all the points raised therein with the modification in respect of point (3) which has been suggested in your letter of 26th ultimo. As regards point (2) in connection with which you say that some difficulty has been raised by one of two Income-tax Officers here, in the Circular issued by the Central Board, No.31 of 1932 / C.No.35-I.T/32, of 9th November, 1932, in part B(1)(f), it has been distinctly stated that "the British Indian and Ceylon authorities alike will ignore in granting relief all differences between the computation of the income in the two countries due to

(f) the fact that the assessments are based on different accounting periods in the two countries."

Hence such cases should have presented no difficulty. I am inviting the attention of all officers to this.

Yours sincerely,

Sd/- J.B.Vachha,
8.2.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
18 FEB. 1933
Regd. No. 1075
File. No.

To

H. J. Huxham, Esq.,
Commissioner of Income-tax, Colombo.

Endst. C.No.705-I.T/32.

Copy of correspondence forwarded to all Commissioners of Income-tax for information and necessary action.

By order, etc.,

Ram Nath
13-2-33
Secretary, Central Board of Revenue.

BRS.10/2.

Copy of d.o. dated 12th December 1932, from H.J.Huxham, Esq. Commissioner of Income-tax, Colombo, to Sir Alexander Tottenham, Kt., C.I.E., I.C.S., Member, Central Board of Revenue.

Double Income Tax Relief - Ceylon & British India.

A few small points which seem obvious, but are, I think worth mentioning. I shall be glad of your observations on them.

(1) Dividends and interest taxed at source. - The deduction made in each country during any year is tax in advance for the following year, and should be so treated in each country for the purposes of double income tax relief.

(2) Tax is not deductible from remuneration in Ceylon in the same way as it is in India. All remuneration is chargeable by a direct assessment in the same way as business profits. Any deductions made remuneration liable to tax in Ceylon are only made as a means of recovery of tax charged by direct assessment. Such deductions are, therefore, tax for the year in which the deductions take place, and not, as in the case of dividends, tax deducted in advance for the following year. This applies particularly to Government Pensions to persons resident in India. A Ceylon pensioner resident in India from whose pension Ceylon tax is being deducted during 1932-33 is entitled to double tax relief in each country for 1932-33.

(3) In all but the simplest cases it is only the country of residence (or of principal office in the case of a company, etc. which can determine which is the smaller tax and what therefore is the correct amount of relief in each country.

The assessee claiming double tax relief should be expected to prove his claim first in the country of residence, producing as evidence the notice of assessment, and if necessary the receipt, of the other country. The country of residence should, after settling its claim, give a certificate to the claimant as to the amount of its tax on the income from the doubly assessed source and the amount of its relief.

In normal circumstances the other country will accept the certificate as final, and allow equal relief.

d.o.

Copy of letter C.No.7C5-I.T/32, dated the 19th January 1933, from Khan Bahadur J.B.Vachha, C.I.E., Member, Central Board of Revenue, to H.J.Huxham. Esq.. Commissioner of Income-tax, Colombo.

Double Income-tax Relief - Ceylon and British India.
Your D.O. dated the 12th December 1932.

I regret I have not been able to reply to this earlier as we have been trying to ascertain exactly what is meant as regards points (2) and (3) in your letter. So far xx we have not succeeded. So I am troubling you in the matter.

2. As regards case (2), may I know whether the pension referred to therein is for the year 1931-32 or 1932-33. If pensions for 1932-33 is to be charged in Ceylon in 1932-33 by direct assessment, I do not see how it can be taken to have been doubly taxed until it is taxed in India in 1933-34. Kindly make this point clear.

3. As regards (3); we do not exactly understand why the "simplest" cases are to be excluded. Will you kindly explain?

Copy of d.o. No.AA.107, dated 26th January 1933, from H.J.Huxham, Esquire, Commissioner of Income-tax, Colombo, to Khan Bahadur J.B.Vachha, Ex C.I.E., Member, Central Board of Revenue.

Double Income-tax Relief - Ceylon & British India.

I am sorry that my letter of the 12th December has given such difficulty. Herewith further observations on the points in question:-

Para.2.- Ceylon tax which is being deducted from pensions for 1932-33, is, as indicated in my letter of 12th December, tax for the Ceylon Income Tax year ending on 31st March, 1933. If the assessee pays Indian tax on income <u>from the same source</u> for the Indian Income Tax Year to 31st March, 1933, double tax relief is clearly due in both countries.

Relief should be given by reference to -

(a) the Indian tax deducted during the year 1931-32 on account of the Indian Income Tax year 1932-33,

and (b) the Ceylon tax deducted during 1932-33 on account of the Ceylon Income Tax year 1932-33.

The comparison is not between the Indian tax deducted during 1932-33 on account of 1933-34, and the Ceylon tax deducted during 1932-33 on account of 1932-33.

One or two of your officers have refused double tax relief for 1932-33 to Ceylon pensioners in India on the ground that the Ceylon deduction now being made is on account of the year 1933-34. This is not the case.

Para.3.- The "simplest" cases are those where the Income Tax Officer in the country of non-residence is satisfied that the vouchers produced to him are beyond reasonable doubt sufficient to determine the amount of the relief without waiting for particulars of the relief given in the other country. Persons residing in Ceylon who receive dividends from Indian Companies will normally be in this position. The practice in Ceylon in such cases is to issue to the Ceylon resident a statement on the attached form showing the total amount of income and tax respectively, together with particulars of the Indian income which is included in the Ceylon assessment. Where this Indian income is a dividend, it is easily possible to calculate from the certificate the precise amount of Ceylon tax on the Indian income.

If the assessee forwards this certificate to the Indian Income Tax Officer, together with his Indian dividend voucher, that officer could normally calculate the relief immediately without waiting for the double tax relief claim to be settled in Ceylon.

If, however, you think that it would make matters simpler for the practice to be adopted in each country of insisting that the claim be made and settled first in the country of residence or principal office, I am quite ready to agree.

Form No.50c. Income Tax 72
CEYLON INCOME TAX. (F 2) 7/32.

I HEREBY certify that _____

of _____

has paid / been charged with Ceylon Income Tax for the year of assessment ending March 31, 193 , amounting to Rs.
on a total income of Rs.
The said total income includes the following amounts derived from

P.U.C.

Endorsement C.No.705-I.T./32, dated the 13th February, 1933, from the Secretary, Central Board of Revenue.

A copy of the p.u.c. with enclosures may be forwarded to the Collector and Assistant Commissioner of Income-tax.

Draft submitted.

3.33

8/3

Draft.

No. 2298 / 33. Dated 4th March 1933

p.v.c.

Endorsement C.No.705-I.T./32, dated the 13th February, 1933, from the Secretary, Central Board of Revenue.

A copy of the marginally noted paper, with enclosure, is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

4.3.33

13.3.1933.

Letter No.I.T.31/13, dated the 23rd August, 1932, from the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

The references quoted in the latter part of para 1 of p.u.c. do not show that the reciprocal arrangements existing between British India and Mysore State for relief from double income-tax in respect of income from business and salaries were extended to the Civil and Military Station; but, it will be seen from the correspondence noted in the margin that the said arrangements were actually applied to the Station.

Sls.44,45,50,56,57 61 & 64.
File No.134-25.

As pointed out by the Assistant Commissioner, similar arrangements have since been made between British India and Mysore State in respect of dividends and income from professions and vocations also (vide Memo.C.No.986-IT/28, dated the 12th September, 1929 from the Central Board of Revenue) and these arrangements have not yet been extended to the Station. The Government of Mysore will presumably have no objection to their extension, but before addressing them in the matter, we may perhaps write demi-officially to the Central Board of Revenue and obtain their approval to the proposal.

S.N.216/a

Draft to Sir Alexander Tottenham is submitted for approval.

22-9-32

22.9.'32

Issued No.6566, dated 26-9-32.

Draft.

No. 6516 Dated 26th Sept-1925

From

The Resident in Mysore.

To

Sir Alexander Tottenham, Kt.,C.I.E
Member, Central Board of
Revenue.

Double income-tax - relief -
Mysore State and the Civil and Military
Station, Bangalore.

S.N.57
134 - 25

D.O.

Dear Sir Alexander,

Please refer to the correspondence ending with your demi-official letter C.No.667-I.T./25, dated the 14th May, 1926, regarding reciprocal arrangements for relief from double income-tax between the Civil and Military Station of Bangalore and Mysore State. It will be seen from the above correspondence that the existing arrangements for relief cover only cases of income from business, salaries and pensions and Government Securities. Similar arrangements have since been concluded

between

between British India and Mysore State in respect of dividends and income from professions and vocations also (vide Memo.C.No.986-I.T./28, dated the 12th September, 1929 from the Central Board of Revenue), but these arrangements have not so far been extended to the Civil and Military Station of Bangalore. I think it is desirable to extend the arrangements to the Station and will address the Government of Mysore for their concurrence ~~in the matter~~ if you see no objection to the proposal.

Yours Sincerely,
Sd. R.C. Burke.

S.N.216/a F
336A-28
43-17

22-9-28

End. 23/9

D. O. C. No. 935-I.T/32. CENTRAL BOARD OF REVENUE,

New Delhi, the 21st October 1932.

My dear Burke,

Double Income-tax Relief—Mysore and British India—Dividends—Income from professions and vocations—Civil & Military Station, Bangalore.
Your D.O. No.6516 dated the 26th September 1932.

Para 3 a & c.

We see no objection to your addressing the Darbar as you propose, after which you will no doubt address the Government of India officially on the subject. By the way, if you have no objection, will you please address me as "My dear Tottenham" rather than as "My dear Sir Alexander".

OFFICE OF THE RESIDENT IN MYSORE, BANGALORE.
25 OCT 1932
Regd. ... 9591 ...
File. No. ... 21/10

Yours sincerely,

A Tottenham

21. 10. 32.

The Hon'ble Lt. Col. R.J.C. Burke,
Resident in Mysore, Bangalore.

SBS.

Please see S.N.1 and these notes from the beginning.

A draft letter to the Govt. of Mysore is submitted.

14/11 Sekt. Resident 12-11

Issued: No.7723 dated 16-11-1932

S.N.3

P.U.C.

Letter No.Pol.629/I.T.31-32-4, dated the 3rd/4th January, 1933, from the Secretary to the Government of Mysore, Development Department.

---

(6)

Please see paragraphs 3 and 4 of these notes, S.N.2 and p.u.c. The Government of India may now be addressed officially.

(Para G only)

Draft submitted.

6-2-33

7/2

Sec. to Res. 9.2

S.N.4

Issued No.1067, dated 10-2-33.

(P.U.C.) S.N.5

Letter No.D.364-I/33, dated the 10th March, 1933, from the Government of India, Foreign and Political Department.

---

(7)

The Government of India's orders sanctioning the Resident's proposal may be communicated to the Mysore Government and the Collector and Assistant Commissioner of Income-tax.

Two drafts are submitted.

(Para 7 only)

21-3-33

24.3

Sec. to Resident

S.N.6 & 7

Issued No.~~2676~~ 2677, dated 3-4-33.

Issued No.2677, dated 3-4-33.

S.N.8

Letter No.I.T.Gl.13 dated the 20th April,1933, from the Collector and Assistant Commissioner of Income-tax.

Ordinarily, sanctions should take effect from the date of issue, unless otherwise ordered. The date of sanction in the present case is the 10th March,1933, that is, about three weeks before the close of the assessment year 1932-33. If approved, the Assistant Commissioner may be consulted u.o. whether there is any objection to the orders being given effect to from that date, without reference to any particular assessment year. If, for any reason, such a course is not possible, he may be requested to say whether it will be more convenient or desirable to give effect to the orders from assessments of the year 1932-33 or from assessments of 1933-34 only.

10-5-33

11.5.33

The Collector and Assistant Commissioner of Income-tax.U.O.

No. 3685 Dated 13th May, 1933.

OFFICE OF THE RESIDENT IN MYSORE, BANGALORE.
16 MAY 1933
Regd. No. 4387
File No.

The orders may take effect from the date of the sanction

15.V.33

Please see from paragraph 8.

Draft to the Collector and Assistant Commissioner of Income-tax is submitted.

15.5.33

1915

S.N.9 Issued No.3825, dated 23-5-33.

CORRESPONDENCE.

C.No.338-I.T./30.

CENTRAL BOARD OF REVENUE.

SIMLA, the 30th April 1931.

Memorandum.

Double Income-tax Relief - British India and Indian States - Statistics.

S. N. 5 38-15

Board's memorandum C.No.338-I.T./30., dated the 30th April 1930.

All Commissioners of Income-tax are requested to kindly furnish the Board annually, until further orders, with a statement in the following form beginning with that for the year 1930-31:-

Double Income-tax relief - British India and Indian States - Actuals.

Name of State.	Amount of relief granted in British India.	Amount that would have been granted had relief been given at half the British Indian rate of tax subject to a maximum of the lower rate of tax.	Difference between 2 and 3.	Remarks.
1	2	3	4	5
Total (of each column.)				

Ram Nath
2.5.31

for Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

R.N.R.
1.5.31.

4762
229/31

[E.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 15th May 1931.

No. 2533 Enclos. 1

(P) S.N. 12

× With reference to the correspondence ending with his letter No.I.T.G./12, dated the 18th June 1930, a memorandum copy of the marginally* noted ~~letter, with enclosure~~, is forwarded

C. *No. 338-I.T./30,

dated the 30th April '31

from the Central Board of Revenue.

to the Asst. Commissioner of Income-tax, Civil and Military Station, Bangalore, for favour of furnishing an annual statement in the prescribed form.

2. It is requested that the statement for 1930-31, may be forwarded as early as possible.

for Secretary to the Resident.

1212—16-3-1929—5,000—EPB.

C.V.R. 11.5.31

No. I.T./G.12/Esq.

Office of the
Collector and Assistant Commissioner of Income-tax,
Civil and Military Station, Bangalore,

Dated the 21st May *1931*.

FROM
G. H. Cooke, Esq., M.C., I.C.S.,
COLLECTOR AND ASST. COMMR. OF INCOME-TAX,
CIVIL AND MILITARY STATION,
Bangalore.

To

The Secretary to the Resident
and Commissioner of Income-tax,
Civil and Military Station, Bangalore.

Subject.— Double income-tax relief - British India and Indian States - Statistics - 1930-31 - Memorandum No.C.338-I.T./30 dated 30-4-31 from the Secretary, Central Board of Revenue, Simla, to all Commissioners of Income-tax - Your endorsement No.3533-229 dated 15-5-1931.

SIRX

S.N 16

Sir,

I have the honour to forward herewith in duplicate the statement called for in the above reference.

OFFICE OF THE [illegible] INCOME-TAX
[illegible] BORE.
22 MAY 1931
5191
P[illegible]

I have the honour to be,
Sir,
Your most obedient servant,

Collector and Asst. Commissioner of Income-tax.

21.5.31. DESPATCH

21 MAY 1931

Statement of Double Income-tax relief - British India and Indian States - Memorandum No. C.I.T./30 dated Simla 30th April 1931 from the Secretary Central Board of Revenue to all Commissioners of Income-tax - Your endorsment No.3533/229d dated 15th May 1931.

Name of State.	Amount of relief granted in British India.	Amount that would have been granted had relief been given at half the British Indian rate of tax subject to a maximum of the lower rate of tax.	Difference between 2 and 3	Remarks
1	2	3	4	5
	1930-31			
Mysore.	3,618-6-0	3,182-1-0	436-5-0	

Collector & Asst. Commmr. of I-tax.

21.5.

No. 3821 Enc. 1
27. 5. 31

From

Secretary to the Resident
&
Commissioner of Income-tax,

To

The Secretary to the Central Board of Rev.

For precedent, vide S.N. 13. (Z)

Double Income-tax Relief--British India and Indian States-- Statistics for 1930-31.

Sir,

S.N.15 (G)

Reference: Your Memorandum No. 338-I.T./30, dated the 30th April 1931.

× encl. to pnc

× The statement for the year 1930-31 is furnished.

I have etc.

for Secretary to the Resident
&
Commr. of Income-tax.

CVR
26.5.31

Ed. 26.5.31

C.No.338-I.T./30.

CENTRAL BOARD OF REVENUE.

Simla, the 18th May 1931.

From

S. P. Shah, Esquire, I.C.S.,
Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,
Bengal.

Sir,

Double Income-tax Relief - British India and Indian States - Statistics. Your letter No.1750/4D/3, dated the 11th May 1931.

In reply to your letter quoted above, I am directed to state that the statement called for in Board's memorandum C.No.338-I.T./30, dated the 30th April 1931 may be submitted to the Board annually by the 1st of July.

I have the honour to be,

Sir,

Yourmost obedient servant,

S. P. Shah,

Secretary, Central Board of Revenue.

Copy forwarded to other Commissioners of Income-tax.

By order, etc.,

for Secretary, Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
25 MAY 1931
No. 5293.
24 D/31

LMV/20.

12.

[E.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 11th June 1931.

No. 4164 Enclos. 1

A copy of the marginally* noted letter, with enclosure, is forwarded to the Collector and Assistant Commissioner of Income tax, C. and M. Station, Bangalore, with the request that the statement referred to may be forwarded to this office not later than the 15th June of each year.

C. *No. 338-I.T./30

dated the 18th May 1931,

from the Secretary, Central Board of Revenue.

2. The Board's Memorandum referred to was communicated with endorsement No.3533, dated the 15th May 1931, from this office.

* S. IV. 16

(H)

for Secretary to the Resident.

23—10-4-1931—5,000—EPB.

C.V.R. 4.6.31

10-6-31

(21)

C.No.335-I.T./30.

CENTRAL BOARD OF REVENUE.

Simla, the 9th June 1931.

MEMORANDUM.

Double Income-tax Relief - British India and Indian States - Statistics -.

Board's memorandum C.No.335-I.T./30, dated the 30th April 1931.

As it is not at present necessary to obtain the statistics called for in the Board's memorandum quoted above, it may be considered as cancelled.

11-6-31

Offg. Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

CANCELLED
Orga. No. 584/V
No. 229P/31.

No. 4401 22nd June 1931.

Copy forwarded to the Asstt. Commr. of Income-tax, C & M Station, Bangalore, for information in in continuation of endorsement from this office, No.3533. dated the 15th May, 1931

for Secretary to the Resident.

16.6.31.

HW/11.6.31.

22

D.O. C.No.544-I.T/31.

CENTRAL BOARD OF REVENUE.

New Delhi, the 16th November 1931.

My dear Kirkbride,

General Purposes Sub-Committee - Retrenchment Advisory Committee - Sterling Securities - Income-tax on - Double Income-tax Relief.

Please let me have statistics for five years ending with 1930-31 showing the total amounts paid from Indian revenues on account of relief from double income-tax (in the United Kingdom and British India) to assessees

(a) resident in British India, and

(b) resident in the United Kingdom,

and also the total amounts (which I believe your records will show) paid on account of double income-tax relief to each of these classes from the revenues of the United Kingdom in respect of their British Indian income. I hope this will not give a great deal of trouble but it is absolutely necessary that we should have the information urgently to deal with a proposal of the Retrenchment Committee. You must define "resident" for yourself in a rough-and-ready manner. The ordinary official or merchant who spends a considerable period of his life in India should be regarded as "resident" for this purpose. For Companies and Firms the criterion will be the familiar one, namely where the general control is situated, but it is not necessary to spend time on legal subtleties in connection with such questions since approximate figures will suffice.

Yours sincerely,

A Rothenham

16. 11. 31.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
20 NOV. 1931
Regd. No. 10855
No. Secl.

Captain G. Kirkbride, (or successor)
Commissioner of Income-tax, Mysore,
Bangalore.

LBS.

2.

No. 8499-C-1 25th Nov. 1931

From

The Secy. to the Resident.

To

G.H.Cooke, Esq., M.C., I.C.S.,
Collr. & Asstt.Commr. of I.T.
C. & M. Station, Bangalore

D.O.

I am desired to forward a copy of Tottenham's D.O. letter C.No.544-I.T./31, dated the 16th November, 1931 and to request that ~~the~~ the statistics - relating to relief from double income-tax, if any, called for in the letter, may kindly be furnished at a very - early date.

Yours.....

Nayar
21-XI-31
23.

No. I.T.G/20.

24

Office of the
Collector and Assistant Commissioner of Income-tax,
Civil and Military Station, Bangalore,

Dated the 28th November 1931.

FROM G. H. Cooke, Esq., M. C., I.C.S.,
COLLECTOR AND ASST. COMMR. OF INCOME-TAX,
CIVIL AND MILITARY STATION,
Bangalore.

To,

The Secretary to the Resident
& Commissioner of Incometax,
Civil and Military Station, Bangalore.

Subject.—Double Incometax Relief - United Kingdom and British India - 5 years figures - Your D.O. No.8499 dated 25th November 1931.

S.N.23 (B)

Sir,

I have the honour to state that there are no individuals or Companies of the kind mentioned in the Board's D.O.C.No. 544-I.T/31 dated 16th November 1931 in this Station to whom refunds on sterling Securities are granted and hence the figures therein required are nil.

S.N.22 (A)

I have the honour to be,
Sir,
Your most obedient servant,

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
3 DEC. 1931
Regd. No. 11,254
File No. 225 D/31

SM.

Collector & Asst. Commr. of I.Tax.

28/11/31

DESPATCH
1-DEC. 1931

25

No 8815- 8th Decr. 1931

From

The Secy. to the Resident
and
Commr. of Income-tax.

To

Sir Alexander Tottenham, kt., C.I.E., I.C.S.,
Member, Central Board of Revenue.

General Purposes Sub-Committee -
Retrenchment Advisory Committee -
Sterling Securities - Income-tax on -
Double Income-tax Relief.

D.O.

My dear Sir Alexander,

S.N.22 (A)

Please refer to your D.O. C.No.544-I.T./31, dated the 16th November, 1931.

The figures asked for are nil as there are no individuals or companies of the kind referred to by you in the Civil and Military Station of Bangalore to whom refunds on sterling Securities are granted.

Yours sincerely,

K.D. Nayle
4-12-31.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
9 JAN. 1932
Rcgd. No. 221

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

New Delhi, the 19th December 1931.

No. 39.—In exercise of the powers conferred by sub-clause (ii) of clause (*b*) of sub-section (2) of section 7 of the Indian Finance (Supplementary and Extending) Act, 1931, the Central Board of Revenue hereby makes the following rule, namely:—

"Where an unregistered firm which has been declared not liable to assessment for the year 1931-32 on the ground that its income was less than Rs. 2,000 has become liable to tax and is assessed under sub-section (1) of section 7 of the Indian Finance (Supplementary and Extending) Act, 1931, and where the individual shares of the partners of such firm have already been taken into account in computing their total income and assessed to income-tax, the shares of such partners shall be excluded from their total income, and there shall be refunded to each such partner a sum equal to the difference between the tax already levied in respect of his total income and the amount of tax due on his total income exclusive of such share."

RAM NATH,
Offg. Secy., Central Board of Revenue.

No. 39/C. No. 775-I. T./31.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

for *Offg. Secretary, Central Board of Revenue.* 4/1/32

CIPD—667CBR—21-12-31—630.

Endt. No.39/C.No.775-I.T/31, dated the 19th December, 1931, from the Secretary, Central Board of Revenue, New Delhi.

No. 1271

18th February 1932

A copy of the marginally noted endt., with enclosure, is forwarded to the Collector & Assistant Commissioner of Income-tax, Civil and Military - Station, Bangalore.

Secy. to the Resident
and
Commr. of Income-tax.

S. Narainswamy
10.2.32

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
7 MAR. 1932
Regd. No. 2327
File No. .....

3

C.No.201-I.T/31.
CENTRAL BOARD OF REVENUE.
New Delhi, the 27th February 1932.

From

Rai Bahadur Pandit Ram Nath, B.A.,
Secretary, Central Board of Revenue,

To

The Commissioner of Income-tax,
Bombay.

Sir,

Indian Finance (Supplementary and Extending) Act, 1931 -
Lower income-grades of - Annual Return XX.
Your No.Anl.R.O/31, dated 23rd February 1932.

In reply to your letter quoted above, I am directed to say that the two lower grades (Rs.1,000-1,499 and Rs.1,500-1,999) which you suggest have already been added to Return No.XX (I.T.No.99).

I have the honour to be,
Sir,
Your most obedient servant,
Sd/- Ram Nath.
Secretary, Central Board of Revenue.

Copy forwarded to other Commissioners of Income-tax.
By order, etc.,
M.C. Khanna
for Secretary, Central Board of Revenue.

DR.29/3.

Section.

Heading.

File No.

Serial No.

NOTES.

DEPT.
BRANCH.

Pros. 19 . Nos.

Subject.

Notes and Orders.

S. 1

4

D.O. No.212-I.T./32

1493

Central Board of Revenue

New Delhi, the 1st March 1932.

My dear Pearce,

Double Income-tax Relief - Indian Income-tax Act (XI - 22) - Section 49 - Indian Finance (Supplementary and Extending) Act, 1932 - Section 8 - Surcharge imposed by - Applicability to -

Your D.O.No.294-1/32, dated 27th February 1932.

Clearly the surcharge is "Income-tax" within the meaning of Section 49 of the Indian Income-tax Act (XI-22). Section 8(1) of the Finance (Supplementary and Extending) Act, ~~1932~~ 1931, simply increases the rates of Income-tax and Super-tax. "Section 7" referred to in Section 8(1) of the Finance (Supplementary and Extending) Act is of course Section 7 of the same Act, not Section 7 of the original Finance Act, ~~1932~~ 1931. This has always seemed to me rather misleading.

Yours sincerely

Sd: A. Tottenham.

1. 3. 32.

OFFICE OF THE [illegible]
7 MAR 1932
Regd. No. 2300
Index No.

To

J.R. Pearce, Esq.
Commissioner of Income-tax,
Punjab, N.W.F., & Delhi Provinces.

Copy forwarded to other Commissioners of Income-tax.

By order, etc.

1. 3. 32.

Secretary, Central Board of Revenue.

5

D.O. C. No. 623-I.T./31. CENTRAL BOARD OF REVENUE,

New Delhi, the 8th March 1932.

My dear Strong,

Indian Finance (Supplementary and Extending) Act, 1931 - Employees of State owned Company managed Railways - Surcharge and new Income-tax - Levy of.-.

Your D.O. No. 13490/2 I/8 C.T., dated 25. 1. 32.

Notification, Finance Department (Central Revenues), No.41, dated 26th December 1931.

The "eligible Railway Companies" are the following:-

Assam Bengal,
B.B. & C.I.,
South Indian,
Bengal Nagpur,
M. & S. M., and
Barsi Light Ry.

This seems to be all that you require to know. You are not concerned with the collection of the lump sum payment mentioned in the explanation to the Schedule to the Notification quoted above.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
12 MAR. 1932
Regd. No. 2495
No. ....

Yours sincerely,

Sd: A. Tottenham.

8. 3. 32.

W. 16/3 To

F.W. Strong, Esq., I.C.S.,
Commissioner of Income-tax, BENGAL.

Copy to other Commissioners of Income-tax.

By order, &c.,

8. 3. 32.

Secretary, Central Board of Revenue.

S.

No.241
Cr 3.

22nd Nov. 1932

A copy each of the marginally noted endorsements, with enclosre, is forwarded to the Collector and Assistant Commissioner of Income-Tax, Civil and Military Station, Bangalore, for - information.

for Secy. to the Resident and
Commr. of Income-tax.

P. Narainsami
17. 3. 32

P.4 c.T

1. Endt.C.No.281-I.T/31, dated the 27th Feby.,1932, from the Secy.,Central Board of Revenue. S.3

" 2. Endt. D.Dis.No.212-I.T/32, dated the 1st March, 1932, from -do-. S.4

" 3. Endt.C.No.623-I.T/31, dated the 8th March 1932, from -do-. S.5.

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
16 MAR. 1932
2649

7.

C.No.218-I.2/32.
CENTRAL BOARD OF REVENUE.

New Delhi, the 11th March 1932.

CORRIGENDUM.

Double Income-tax Relief - Indian Income-tax Act (XI-22) - Section 49 - Indian Finance (Supplementary and Extending) Act, 1931 - Section 8 - Surcharge imposed by - Applicability to.

Please read "Finance (Supplementary and Extending) Act, 1931" for "Finance (Supplementary and Extending) Act, 1932" and "Finance Act, 1931" for "Finance Act, 1932" in Board's D.O. D.Dis.No.218-I.2/32, dated the 1st March 1932.

12.3.32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

8.

JL 2313

OFFICE OF THE DEPUTY [illegible] MYSORE.
B [illegible]
23 MAR. 1932
Regd. No. 2904
File. No.... ... .
Spare copies kept at the bottom of the file.

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

New Delhi, the 12th March 1932.

No. 10.—The following draft of a rule which the Central Board of Revenue proposes to make in exercise of the powers conferred by section 59 of the Indian Income-tax Act, 1922 (XI of 1922), read with paragraph 1 of Part IA of Schedule II to the Indian Finance (Supplementary and Extending) Act, 1931, is published as required by sub-section (4) of section 59 of the first named Act for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 2nd May 1932. Any objection or suggestion which may be received in respect of the draft before the specified date will be considered by the said Board:—

Draft Rule.

The notice of demand referred to in paragraph 1 of Part IA of Schedule II to the Indian Finance (Supplementary and Extending) Act, 1931, shall be served in the following form:—

Notice of Demand under paragraph 1 of Part IA of the Schedule to the Indian Finance (Supplementary and Extending) Act, 1931.

To

_____

_____

1. You have been summarily assessed for the year to income-tax amounting to Rs. shown in the copy of the assessment form sent herewith.

2. If you are dissatisfied with this assessment, you may apply to me within 30 days of the receipt of this notice for the cancellation or revision of the assessment. My orders on such application will be final, and will specify the time within which payment should then be made.

3. You may, however, also submit with such application a return of your income under Section 22 (2) of the Indian Income tax Act in the form attached for the purpose. If you do so, the demand now made will be cancelled and the assessment will be made under Section 23 of the Act, and will be subject to an appeal to the Assistant Commissioner.

4. If you do not present such an application (with or without a return) within the time specified in paragraph 2, you must pay the amount of Rs.....on or before the.....to the officer in charge of the Government Treasury / Sub-Treasury / the Agent, Imperial Bank of India, at.....
For failure to do so, you will be liable to a penalty not exceeding the amount to tax.

5. Chalans to be presented with the amount at the time of payment are attached. Should you lose them, you should apply to the Income-tax Officer for fresh ones.

6. On payment you will be granted a receipt.

Income-Tax Officer.

Circle.

Dated.....193 .

RAM NATH,
Secy., Central Board of Revenue.

No. 10/C. No. 779-I. T./31.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

M. C. Khanna
for *Secy. Central Board of Revenue.*

G1PD—M 993CBR—17-3-32—375.

19

13th April 1932

No.25-24
Rec'd

A copy each of the marginally noted papers is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

A copy of the Board's D.O.Dis.No.212-I.T/32, dated the 1st March, 1932, - referred to in the corrigendum ~~circular~~, was forwarded with this office endorsement No.2141, dated the 22nd March, 1932.

for Secy. to the Resident
and
Commissioner of I.T.

D.Narainsami
4.4.32.

Ann. I Corrigendum C.No.212-I.T./32, dated 11-3-32, from the Secy., Central Board of Revenue.

S.7.

Ann. II Endt. No.10/CNo.779-I.T./31, dated 12-3-32, from the Secy., Central Board of Revenue, with enclosure.

S.8.

S.4. (L)

S.6. (P)

12/4

12/4

Circular No. 31 of 1932.
C. No. 35-I. T/32.

CENTRAL BOARD OF REVENUE.

New Delhi, the 9th November 1932.

CIRCULAR.

DOUBLE INCOME-TAX RELIEF—CEYLON AND BRITISH INDIA.

NOTIFICATION No. 14: FINANCE DEPARTMENT (CENTRAL REVENUES), DATED 2ND APRIL 1932.

The following instructions are issued in regard to the grant of relief in British India in respect of income taxed in British India and in Ceylon.

A.—TAX.

It should be remembered that :—

(1) Under Section 45 (4) (*b*) (1) of the Ordinance, " Ceylon Tax " does not include, for purposes of relief either in India or Ceylon, the additional 2 per cent. charged on non-resident companies under Section 20 (6) of the Ordinance.

(2) " Ceylon Tax " does not include, for purposes of relief either in British India or Ceylon, tax on interest or other charges on income included in the Ceylon assessment [Ordinance Section 45 (4) (*b*) (*ii*)].

(3) " Indian Tax " includes personal Super Tax, both in India and Ceylon.

(4) " Indian Tax " in India includes Company Super Tax as regards companies themselves, but not as regards shareholders. Ceylon will adopt the same basis.

B.—" PART OF HIS INCOME " (INDIA).
" HIS INCOME FROM ANY SOURCE " (CEYLON).
Relief of half the smaller tax (both countries).

(1) As the British Indian Notification No. 14 (Finance Department—Central Revenues), dated 2nd April 1932, is drafted, relief is to be allowed in British India " on that part of the income on which relief is admissible under the Ceylon Income-tax law ". The practical result of this is that the expressions " part of his income " in the Indian notification, and " his income from any source " in the Ceylon Ordinance, refer to the same thing, and the British Indian relief is automatically regulated by the Ceylon relief.

The British Indian and Ceylon authorities alike will ignore in granting relief all differences between the computation of the income in the two countries due to—

(*a*) Certain expenses being allowed in one country and not in the other.

(*b*) The allowances for depreciation being higher in one country than in the other.

(*c*) Depreciation being carried forward in one country and not in the other.

(*d*) Losses being carried forward in one country and not in the other.

(*e*) The fact that assessment is made on the " income arising " in one country and on " remittances " in the other.

(*f*) The fact that the assessments are based on different accounting periods in the two countries.

(*g*) Where a Tea Estate is taxed on 40 per cent. of its profits in British India and on the whole profits in Ceylon, there will be only one source of income from the Ceylon point of view and the relief allowed in each country will be half the lower amount of tax ignoring this difference in the basis of assessment.

(2) No relief can be given unless tax is paid for the same year in each country on the source in question, *e.g.*, in the first year of a business, tax will be levied on its profits in Ceylon but not in British India : in the year after a business ceases, its profits will be liable to tax in British India but not in Ceylon. No relief can be given in these cases.

C.—" ANY PERSON ".

(1) In Ceylon, the income of married women is treated as that of their husbands. If the wife is separately assessed in British India, on the same income she will be entitled to relief in British India.

(2) *Partnerships.*—Ceylon charges tax on individual partners and not on partnerships at all. No difficulty will arise in British India in regard to registered Firms. If partners of an unregistered firm are assessed in Ceylon and the firm is assessed in India, the partners will be entitled to relief in British India and direct assessments should be made on them for the purpose.

SHAREHOLDERS.

(1) A resident in India has dividends from a Company in Ceylon from which Ceylon tax is deducted at source. He is assessed in India on those dividends, as may in certain circumstances happen now, and will happen more frequently if the Proviso to Section 4 (2) of the Indian Income-tax Act is amended as proposed.

He will be entitled to relief in India.

(2) A resident in Ceylon is a shareholder in an Indian Company and is taxed on its dividends in Ceylon. The Company is taxed only in India. Ceylon will regard him as having suffered Indian tax indirectly. He will be entitled to relief in India.

RAM NATH,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-Tax.

GIPD—M490CBR—21-11-32—730.

No. I.T.GI/13.

Office of the
Collector and Assistant Commissioner of Income-tax,
Civil and Military Station, Bangalore,

Dated the 23rd August 1932.

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
27 AUG 1932
Regd. No. 7728
File No. 223/31

FROM G.H. Cooke, Esq., M.C., I.C.S.,
COLLECTOR AND ASST. COMMR. OF INCOME-TAX,
CIVIL AND MILITARY STATION,
Bangalore.

To
The Secretary to the Resident in Mysore
& Commissioner of Incometax, Bangalore.

Subject.—Double Incometax - relief - Mysore State and the Civil and Military Station, Bangalore.

SIR,

In D. O. 9431, dated 18th November 1925 from Major K. A. G. Evans Gordon to the Collector and Assistant Commissioner of Incometax, C & M Station, Bangalore, it was stated that for the purpose of double Incometax relief between Mysore and the Civil and Military Station, Bangalore, the latter might be regarded as part of British India, and the reciprocal arrangements existing between Government of India and Mysore in respect of income from business and salaries were extended to the C & M Station- vide letter No.2134, dated 4th June 1924, from the Under Secretary to the Government of India, Finance Department (Central Revenues), communicated to me with your letter No.10509/43-1917, dated 19th December 1925, and Board's Instruction (Incometax) No.1 of 1928, dated 22nd May 1928, forwarded to me with your No.6765/43-1917, dated 19th July 1928.

I find from the Mysore Incometax Manual, Section III page 96, para 20(2), that reciprocal arrangements between the Government of India and Mysore exist also in respect of relief from double income-tax on income from dividends and professional earnings, but these arrangements do not appear

to have been extended to the Civil and Military Station. I think it is desirable to extend the same to this Station in view of the fact that we have followed the practice in British India with regard to relief in respect of business income and salaries and pensions.

I therefore request that, if you agree, necessary action may kindly be taken in the matter.

I have the honour to be,

Sir,

Your most obedient servant,

Collector & Asst. Commr. of I.Tax.

SM.

Draft. 2

No. 7723 Dated 16th Nov. 927

From

The Secretary to the Resident.

To

The Secretary to the Government
of Mysore,
Finanancial Department.

Subject:-

Double Income-tax Relief - Mysore State & C. & M. Station of Bangalore.

Si

I am directed to refer to the correspondence ending with Mr. Srinivasa Iyengar's letter No.Pol.1092/I.T.55-24, dated the 17th June, 1927 regarding reciprocal arrangements for relief from double income-tax between the Civil and Military Station of Bangalore and Mysore State and to observe that the existing arrangements for relief cover only cases of income from business, salaries and pensions and

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Government

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43-17.

S.N.219
43-17.

Government securities. Similar arrangements have since been concluded between British India and Mysore State in respect of dividends and income from professions and vocations also (vide Memo.C.No.986-I.T./28, dated the 12th September, 1929, from the Central Board of Revenue a copy of which was forwarded to the Mysore Government with letter No.9417/ dated the 7th November, 1929 from this Residency), but these arrangements with the Government of Mysore have not, so far, been extended to the C & M. Station of Bangalore. The Hon'ble the Resident considers the extension desirable ~~to do so~~ and will obtain the Government of India's approval to the proposal if the Government of Mysore have no objection ~~to it~~.

I have, etc.,

SECRETARY TO THE RESIDENT.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 3rd January 1933.

No. Pol. 629

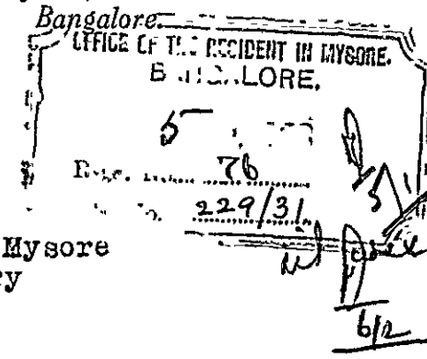
J.T. 31-32-4

From

The *Secretary to the Government of His Highness the Maharaja of Mysore.*
Development Department.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.



~~Sir~~

Subject :- Double Income-tax Relief - Mysore State and Civil and Military Station of Bangalore.

Sir,

I am directed S.N.2 With reference to your letter No.7723/229-1931 dated 16th November 1932 on the subject mentioned above, I am directed to state that the Government of Mysore have no objection to the extension to the Civil and Military Station of the reciprocal arrangement for relief from double taxation in respect of dividends and income from professions and vocations.

I have the honour to be,

Sir,

your most obedient servant,

for Secretary to Government,
Development Department.
(on leave)

4.

No 1067. 10th Feb. 1930.

From

Resident in Mysore.

To

The Political Secretary to the Government of India, Foreign & Political Department.

Double income-tax relief - Mysore State and C. & M. Station of Bangalore.

Sir,

I have the honour to refer to endorsement No.D.2140-I/29 dated the 5th October, 1929, from the Government of India, Foreign and Political Department, regarding reciprocal arrangements for relief from double income-tax between British India and Mysore State in respect of dividends and income from professions and vocations. I consider it desirable - and the Government of Mysore agree with me - that similar arrangements should be made between the Civil and Military Station of Bangalore and Mysore State, and accordingly request that the Government of India will be pleased to sanction

S.N.216 (KK) 43-1917

*S.N.3 (P.U.e. auth)

sanction the proposal.

I have etc.,

Resident.

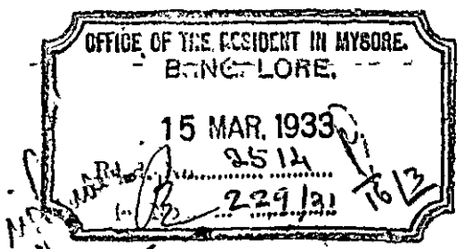
No.D.364-I/33.

From

The Deputy Secretary to the Government of India
in the Foreign and Political Department,

To

The Hon'ble the Resident in Mysore.



Dated New Delhi the 10th March 1933.

Double income-tax relief - Mysore State and the Civil and Military Station of Bangalore.

Sir,

In reply to your letter No. 1067/229-1931, dated the 10th February 1933, I am directed to state that the Government of India are pleased to sanction your proposal for reciprocal arrangements between the Mysore State and the Civil and Military Station of Bangalore, for relief from double income-tax of dividends and income from professions and vocations.

I have the honour to be,

Sir,

Your most obedient servant,

for Deputy Secretary to the Government of India.

Draft.

No. 2676 Dated 3rd April 1933
Encl.

From

The Secretary to the Resident.

To

The Secretary to the Government
of Mysore,
Financial Department.

Subject:- Double income-tax relief -
Mysore State and the Civil
and Military Station of
Bangalore.

Sir,

I am directed to refer to your letter No.Pol.629/I.T.31-32-4, dated the 3rd/4th January, 1933, on the above subject, and to say that the Government of India have sanctioned the proposal for reciprocal arrangements between ~~the~~ Mysore State and the Civil and Military Station of Bangalore, for relief from double income-tax in respect of dividends and income from professions and vocations.

I have, etc.,

Secretary to the Resident.

Draft.

No. 2677 Dated 3rd April 1933.
Encl 1

A copy of the marginally noted letter is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, with reference to his letter No.I.T.Gl.13, dated the 23rd August, 1932.

Secretary to the Resident
and
Commissioner of Income-tax.

Letter No.D.364-I/33, dated the 10th March, 1933, from the Government of India, Foreign and Political Department.

No. I.T.Gl.13

8

Office of the
Collector and Assistant Commissioner of Income-tax,
Civil and Military Station, Bangalore,

Dated the 20th April 1933.

FROM

The COLLECTOR AND ASST. COMMR. OF INCOME-TAX,
CIVIL AND MILITARY STATION,
Bangalore.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
21 APR. 1933
Regd. No. 3593.
File. No.

The Secretary to the Resident and
Commissioner of Income-tax,
Civil and Military Station, Bangalore.

Subject.— Double income-tax relief - Mysore State and the Civil and Military Station of Bangalore - Your endorsement No.2677/229-1931 forwarding letter No.D.364-1-33 dated 10th March 1933 from the Deputy Secretary to the Government of India in the Foreign and Political Department.

Sir,

I have the honour to request you to let me know the date from which the orders of the Government of India referred to above should be given effect to, i.e., whether from assessments of the year 1932-33 or from assessments of the current year only.

I have the honour to be,
Sir,
Your most obedient servant,

RSS. ASST. COMMISSIONER OF INCOME-TAX.

Draft. 9

No. 3825 Dated 23/5/33

From

The Secretary to the Resident
and
Commissioner of Income-tax.

To

The Collector & Assistant
Commissioner of Income-tax,
Civil & Military Station,
Bangalore.

Double Income-tax Relief -
Mysore State and Civil and Military
Station of Bangalore - Your letter
No.I.T.G1.13, dated the 20th April,
1933.

S.N.S. aule
P.U.C.

S.N.Saule

The orders of the Government of India referred to in your letter, take effect from the date on which they were issued, viz., 10th March, 1933.

20/5

Secretary to the Resident
and
COMMISSIONER OF INCOME-TAX.

18/5-33

19/5/33

22/5/33